

Appendix

Council Action Adopting the City Property Tax Levy

SUBSTITUTE

Council File # 04-1175
Green Sheet # 3024529

RESOLUTION CITY OF SAINT PAUL, MINNESOTA

28

Presented By: Kathy Carter

Referred To: _____ Committee: _____ Date: _____

1 WHEREAS, the Mayor, pursuant to the City Charter has proposed and recommended the 2005 budgets for the City of Saint
2 Paul, and
3
4
5 WHEREAS, the proposed 2005 General and General Debt Service budgets have been reviewed and approved or adjusted by
6 the City Council, and
7
8 WHEREAS, the City is required under Laws of Minnesota 2002, Chapter 390, Sec. 37, to levy a tax at the Library Board's
9 request, which the Library Board has made, and
10
11 WHEREAS, the property tax levy needed to finance those budgets, with allowance for shrinkage, has been determined, and
12
13 WHEREAS, the Port Authority of the City of Saint Paul requested a property tax levy to finance economic development
14 budgets under laws of Minnesota, Chapters 469.053 subd 4, and 6,
15
16 NOW THEREFORE BE IT RESOLVED, the City Council in anticipation of adopting the General Fund, General Debt Service, and
17 Library Agency budgets for the fiscal year 2005, and in accordance with section 11.04 of the City Charter, does hereby
18 levy taxes on all taxable property within the Saint Paul corporate limits, to be collected in the amounts set forth below, and
19
20 BE IT FURTHER RESOLVED, the City Council directs the City Clerk to forward this resolution to the Ramsey County
21 Department of Property Records and Revenue in accordance with the applicable provisions of the City Charter and other laws,
22 and
23
24 BE IT FURTHER RESOLVED, the City Council directs the Office of Financial Services to complete and forward any state forms
25 required identifying these adopted levies;
26
27

| Description | Tax Levy Payable in 2004 | Tax Levy Payable in 2005 | % Change |
|---|-----------------------------|-----------------------------|-------------|
| City levy for city operations and shrinkage | 42,427,358 | 45,642,975 | 7.58% |
| City levy for Debt Service and shrinkage | 10,262,898 | 6,653,277 | -35.17% |
| City levy for Library Agency operations and shrinkage | 9,855,007 | 10,318,836 | 4.71% |
| City levy for Port Authority levy per Mn. Stat. 469.053 | 1,382,000 | 1,312,175 | -5.05% |
| | 63,927,263 | 63,927,263 | 0.00% |

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| | Yeas | Nays | Absent |
|------------|-------------------------------------|------|--------|
| Benarav | <input checked="" type="checkbox"/> | | |
| Bostrom | <input checked="" type="checkbox"/> | | |
| Harris | <input checked="" type="checkbox"/> | | |
| Helgen | <input checked="" type="checkbox"/> | | |
| Lantry | <input checked="" type="checkbox"/> | | |
| Montgomery | <input checked="" type="checkbox"/> | | |
| Thune | <input checked="" type="checkbox"/> | | |
| | 7 | 0 | |

Adopted by Council: Date 12-15-2004

Adoption Certified by Council Secretary:

By: [Signature]

Approved by Mayor: Date 12-23-04

By: [Signature]

Requested by Department of:

Office of the Mayor, Financial Services Division

By: Matt Smith

Approval Recommended by Director of Financial Services

By: [Signature]

Form Approved by City Attorney:

By: [Signature]

Approved by Mayor for Submission to Council:

By: [Signature]

Council Action Adopting the City Budget (page 1)

Council File # 04-1174
Green Sheet # 3024530

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

Presented By: Kathy Lantry 29

Referred To: _____ Committee: _____ Date: _____

1 WHEREAS, the Mayor has proposed budgets for the City of Saint Paul for the fiscal year beginning January 1, 2005, in accordance with
2 the City Charter and Chapter 56 of the Administrative Code; and
3
4 WHEREAS, the City Council, after publication of the notice in the newspaper on December 7, 2004, participated in a public hearing on
5 December 14, 2004, on the Mayor's Proposed 2005 budgets, as required by the City Charter and applicable state and Federal laws; and
6
7 WHEREAS, the Council has revised the Mayor's proposed budgets as herein set forth; now therefore be it
8
9 RESOLVED, that in accordance with the procedures and requirements set forth in the City Charter and other laws applicable thereto,
10 the Council of the City of Saint Paul does hereby adopt the 2005 budgets as proposed by the Mayor with such monetary changes, additions,
11 and deletions as are hereby adopted and which, along with total budgets, are set forth on the attachments to this resolution; and be it
12
13 FURTHER RESOLVED, that the expenditures in dollars as may be made by the several offices, departments, bureaus, and agencies of
14 city government during the fiscal year 2005 shall be, and are hereby approved, and adoption of these budgets shall constitute
15 appropriations of the money amounts as set at the department budget total in the General Fund budget, the project total in the Capital
16 Improvements budget, and the fund budget total in all other cases.
17
18 FURTHER RESOLVED, that the estimated financing set forth in the 2005 adopted budgets is hereby approved; and be it
19
20 FURTHER RESOLVED, that the adoption of the 2005 budget for the Community Development Block Grant Fund (100) is a multi-year
21 budget based on estimates for a grant which has a fiscal period that differs from the City's normal budget year (January 1 through
22 December 31); the authority to implement this adopted multi-year budget commences only at the beginning of the grant period,
23 and shall extend beyond December 31, 2005, through the end of the grant period and; during the year when the grant is accepted
24 by the City Council, the budget will be amended to match the actual grant amount for the entire multi-year period; and be it
25
26 FURTHER RESOLVED, that the City Clerk is directed to publish the 2005 budget summary pursuant to Minnesota Statutes section
27 471.6965 in the format prescribed by the Office of the State Auditor; and be it
28
29 FINALLY RESOLVED, that the Director of Financial Services is hereby authorized to prepare the final 2005 Budgets in accordance
30 with the actions taken herein and to equalize, balance or set the final department revenue sources and department appropriations as
31 necessary.

| | Yeas | Nays | Absent |
|------------|------|------|--------|
| Benanav | | | |
| Bostrom | | | |
| Harris | | | |
| Helgen | | | |
| Lantry | | | |
| Montgomery | | | |
| Thune | | | |
| | 5 | 2 | |

Adopted by Council: Date 12-15-2004

Adoption Certified by Council Secretary:
By: Robert Wozniak

Approved by Mayor: Date 12/22/04
By: Randy C. Kelly
Except AS VETOED

Requested by Department of: _____
Executive Administration

By: Matt Smith

Approval Recommended by Director of Financial Services
By: Matthew Smith

Form Approved by City Attorney:
By: Risa D. Smith

Approved by Mayor for Submission to Council:
By: Randy C. Kelly

Prepared by the Saint Paul Office of Financial Services: (C:\Shared\Budget2005\Council\Resolution_City Budget 12 15 04.pdf 12/26/04)

Council Action Adopting the City Budget (page 2)

04-1174

CITY OF SAINT PAUL
 Randy C. Kelly, Mayor

390 City Hall
 15 West Kellogg Boulevard
 Saint Paul, MN 55102
 Telephone: 651-266-8510
 Facsimile: 651-266-8513

TO: Council President Kathy Lantry
Councilmember Deborah Montgomery
Councilmember Dave Thune
Councilmember Patrick Harris
Councilmember Jay Benanav
Councilmember Lee Helgen
Councilmember Dan Bostrom

Council Research Center
DEC 22 2004

FROM: Randy C. Kelly, Mayor Randy C. Kelly

DATE: December 22, 2004

RE: Item Veto Message Concerning C.F. 04-1174
Portions of the Resolution Adopting the FY2005 Annual Budgets

I have signed C.F. 04-1174, the resolution adopting the 2005 city budgets. However, I am exercising my authority, under City Charter Section 6.09, to veto certain items within the resolution as indicated. This memorandum is my communication to you, pursuant to City Charter Section 6.08, stating my disapproval of these items and the reason therefore.

I have vetoed the additional contingent appropriation of \$100,000 to the Mayor's Office, the additional contingent appropriation of \$140,000 City Council legislative operations, and the additional appropriation of \$60,000 for City Council consultant services for these reasons:

First, the additional funding appropriated for these two offices is unnecessarily large. Given the pressure on the Police and Fire budgets that the Council has frequently cited during the budget process, identifying \$300,000 in additional resources within the budget and then allocating them solely to the Mayor and Council does not reflect a sufficient priority on public safety. Allocating all of these funds to the Mayor's Office and City Council would result in budgets for these two offices increasing by a total of 9% next year. This is a rate of budget increase much higher than any other city department, and it is not justified.

Second, the source of financing for these appropriations is troubling, as it is derived from a one-time budgetary gain due to a shift in bond principal repayment dates. Allowing even the possibility that these one-time funds could be spent in ways that are not our highest priority does not reflect sound fiscal management, particularly in light of the continuing poor condition of the state budget and the risk of additional cuts in state Local Government Aid payments next year.

Council Action Adopting the City Budget (page 3)

| 2005 Budget - City Council's Budget Adjustments General Fund | | | 04-1174 |
|--|--|------------------------|----------------------------|
| Office of Financial Services Report date/time 12/17/04 3:13 PM Page 1 of 4 | | | |
| | Spending Appropriations | Financing Estimates | |
| Mayor's Proposed Budget... | | | |
| Mayor's Budget Total | 157,491,742 | 157,491,742 | |
| Gap: Excess / (Shortfall) | | 0 | |
| City Council Changes to the Mayor's Proposed Budget... | | | |
| Citizen Services | Reduce Marketing budget to fund 5 Officers | (249,963) | |
| City Council | Council Contingency | 148,000 | <i>Vetoed RCR 12/22/04</i> |
| City Council | Consultant Services Contingency | 80,000 | |
| General Government Accounts | Reduce CHCH for space changes to fund 5 officers | (76,745) | |
| General Government Accounts | Reduce CHCH for space changes (Info Complaint) | (48,318) | |
| General Government Accounts | 311 Study Rollover from Adopted 2004 budget | | 100,000 |
| General Government Accounts | NPPCP - new program | 32,000 | |
| General Government Accounts | NPPCP - 2.5% program increase | 3,467 | |
| General Government Accounts | Children's Collaborative | 10,000 | |
| Fire | Fire Suppression | 241,840 | |
| Human Resources | Fire Fighter test | no \$ change | |
| Mayor's Office | Mayor Contingency | 100,000 | <i>Vetoed RCR 12/22/04</i> |
| NHPI | Eliminate vacant clerk position | (45,761) | |
| NHPI | Eliminate budgeted rent increase | (7,500) | |
| NHPI | Shift costs to general fund from CDBG | 96,922 | |
| NHPI | Neighborhood Housing Fees | | 20,000 |
| Parks and Recreation | Housing Inspection (inspector) | 55,363 | |
| Parks and Recreation | Recreation Center Hours | 85,000 | |
| Police | Reduce Parks and Recreation Fees | | (8,000) |
| Police | Police Enforcement (officer) | 326,745 | |
| Public Works | Emergency Communications (telecommunicator) | 158,211 | |
| Public Works | Graffiti funding | (34,954) | |
| Public Works | Settlements | | 3,407 |
| Public Works | Storm Sewer System Charge Assessment Interest Earnings | | 234,600 |
| Public Works | Right of Way Assessment Interest Earning | | 363,200 |
| Technology | 311 Study | 100,000 | |
| Non Department Financing | Transfer in from Cultural Star 2005 interest earnings | | 56,875 |
| Non Department Financing | Interest Earnings Transfer In (adjustment to correct coding) | (726,375) | |
| Non Department Financing | Interest Earnings on Investments (revised estimate) | 87,865 | |
| Non Department Financing | Difference between Certified LGA Amount and Preliminary Estimate | (95,595) | |
| Non Department Financing | Property Tax Financing | 512,647 | |
| Non Department Financing | Loss of Central Service Revenue from Water | (10,065) | |
| Non Department Financing | Hotel Motel Tax | 103,470 | |
| Non Department Financing | Transfer in from Cultural Star 2005 interest earnings | | 44,958 |
| Non Department Financing | Transfer in from Fund #967 (Science Museum Debt Service) | | 259,320 |
| To Balance | | | |
| Budget After City Council Changes | 158,438,049 | 158,438,049 | |
| Gap: Excess / (Shortfall) | | 0 | |

Council Action Adopting the City Budget (page 4)

| 2005 Budget - City Council's Budget Adjustments Special Funds, Debt and Capital Improvement Budgets | | | 04-1174 |
|--|---|------------------------|-----------|
| Office of Financial Services Report date/time 12/17/04 3:13 PM Page 2 of 4 | | | |
| | Spending Appropriations | Financing Estimates | |
| Mayor's Proposed Budget... | | | |
| Special Funds | 205,417,225 | 205,417,225 | |
| Debt Service Funds | 55,481,876 | 55,481,876 | |
| Capital Improvement Budget | 74,586,000 | 74,586,000 | |
| Mayor's Budget Total | 335,485,101 | 335,485,101 | |
| Gap: Excess / (Shortfall) | | 0 | |
| City Council Changes to the Mayor's Proposed Budget... | | | |
| Capital Budget | Neighborhood: Revenues | | (34,180) |
| Capital Budget | Neighborhood: Interest Earnings | | |
| Capital Budget | Neighborhood: 2004 excess revenues | | 732,058 |
| Capital Budget | Neighborhood: Loan Repayments | | (85,975) |
| Capital Budget | Neighborhood: STAR program | 125,967 | |
| Capital Budget | Neighborhood: Council Contg.: Commercial Revitalization Cityw | 766,385 | |
| Capital Budget | Neighborhood: Transfer to Debt Service Fund | (280,449) | |
| Capital Budget | Cultural: Revenues | | (6,836) |
| Capital Budget | Cultural: Interest Earnings | | 22,633 |
| Capital Budget | Cultural: 2004 excess revenues | | 132,346 |
| Capital Budget | Cultural: Completed project balances | | |
| Capital Budget | Cultural: STAR program | 125,510 | |
| Capital Budget | Cultural: Transfer to General Fund | 22,633 | |
| Capital Budget | RiverCentre: Revenues | | (27,344) |
| Capital Budget | RiverCentre: 2004 excess revenues | | 39,200 |
| Capital Budget | RiverCentre: Debt Service | 11,856 | |
| Capital Budget | Downtown Street Redesign MSA | (1,116,000) | |
| Capital Budget | Midway Parkway Reconstruction - Hamline to Snelling MSA | 899,000 | |
| Capital Budget | Hamline Avenue Improvements - Hoyt to Larpeur MSA | 217,000 | |
| Capital Budget | Phalen Ice Arena-CIB Bonding | (50,000) | |
| Capital Budget | CIB project balances available (reported to Council Dec. 1) | | 268,821 |
| Capital Budget | 2003 R5VP project balance | | 50,000 |
| Capital Budget | CIB project balances transferred to debt service | 318,821 | |
| Capital Budget | Downtown Airport Dike-CIB funding | (1,000,000) | |
| Capital Budget | Rec. Centers: Unsafe Playground Equipment Replacement-CIB | 500,000 | |
| Capital Budget | note: put the \$500,000 in contingency | | |
| Capital Budget | Diseased Tree Removal on public property-CIB funding | 250,000 | |
| Capital Budget | Fire Station 22 - Design-CIB funding | 30,000 | |
| Capital Budget | note: add \$440,000 for FS 22 in tentative 2006 budget. | | |
| Capital Budget | 2005 Capital Maintenance: Como Zoo Seal Island Chiller | 44,000 | |
| Capital Budget | CIB Contingency | 226,000 | |
| Capital Budget | note: add \$1.9M for Trillium in tentative 2006 budget-CIB | | |
| Capital Budget | Wellstone Center-CDBG | 757,000 | |
| Capital Budget | Wellstone Center-CDBG Public Improvement Contingency | | 317,000 |
| Capital Budget | Wellstone Center-transfer Scheffer Design balance | | 50,000 |
| Capital Budget | Wellstone Center-2005 CDBG grant | | 390,000 |
| Capital Budget | Note: Proposed 2005 CIB showed \$1.464 million in CDBG funding for the Wellstone Center for 2006 and 2007. These funds will be reallocated to programs below. | | |
| Capital Budget | Neighborhood Improvement: Home Rehab Program | 400,000 | 400,000 |
| Capital Budget | note: add \$800K for Nighbor Improv. Home Rehab in tentative 2006 budget. | | |
| Capital Budget | note: add \$582K for Home Purchase and Rehab Fund in tentative 2006 budget. | | |
| Capital Budget | Phalen Blvd 2005 Federal Grant | 2,000,000 | 2,000,000 |
| Capital Budget | Phalen Blvd 2005 State Bonding | 4,000,000 | 4,000,000 |

List of City Council's adjustments to special funds, debt, and capital improvement budget continues on the next page

Council Action Adopting the City Budget (page 5)

04-1174

2005 Budget - City Council's Budget Adjustments Special Funds, Debt and Capital Improvement Budgets

Office of Financial Services
Report date/time 12/17/04 3:13 PM
Page 3 of 4

| | | Spending Appropriations | Financing Estimates |
|---|--|----------------------------|------------------------|
| City Council Changes to the Mayor's Proposed Budget... | | | |
| City Attorney | Transfer from LIEP for Attorney | 127,442 | 127,442 |
| Debt | St Paul Foundation Revenue Note STAR | | 130,000 |
| Debt | St Paul Foundation Revenue Note Parking Transfer In | | (130,000) |
| Debt | Downgrade Debt Manager position | (20,000) | |
| Debt | Debt Interest at 4% | (125,000) | |
| Debt | Reduce Subsequent Year Reserve | (745,000) | |
| Debt | MCES Refund at \$1.1 million | | 100,000 |
| Debt | CIB project balances | | (4,927) |
| Debt | CIB project balances - cancelled projects | | 268,821 |
| Debt | CIB project balances - cancelled projects, Phalen Ice Arena | | 50,000 |
| Debt | STAR project balances | | (33,445) |
| Debt | STAR 2005 Financing | | (280,449) |
| Debt | Transfer In - Library Agency (service) | | 16,000 |
| Debt | Property Tax Financing | | (558,500) |
| Debt | Fund Balance Financing | | (447,500) |
| Debt | Revenue Notes - Science Museum | | |
| Debt | Transfer Out to General Fund | 259,320 | |
| Debt | 2004 Cultural STAR Revenues (Ryan Lot) | | 114,660 |
| Debt | 2004 Cultural STAR Revenues (Franchise Fees) | | 30,000 |
| Debt | 2005 Ryan Lot Revenues | | 114,660 |
| Fire | Reflect Revised 2005 Fire Apparatus Plan | 701,500 | 701,500 |
| Financial Services | Hotel Motel Taxes | | |
| Financial Services | General Fund (marketing by RCA CVB to jointly promote RC) | 90,000 | 70,000 |
| Financial Services | Marketing by RCA and CVB to jointly promote RiverCentre | | |
| Financial Services | Transfer In Capital Projects | | 20,000 |
| Financial Services | Marketing by RCA CVB to jointly promote RiverCentre (other) | | |
| Financial Services | Capital City Partnership | (75,000) | (75,000) |
| Financial Services | RiverCentre | | |
| Financial Services | Convention Bureau | 111,048 | 111,048 |
| Financial Services | Central Services Revenue transfer to General Fund | (10,065) | (10,065) |
| Health | System Problems w/ Personnel | 24,535 | 24,535 |
| LIEP | Transfer to City Attorney for Attorney funding | 127,442 | 127,442 |
| LIEP | Move existing billboard fees to proper activity | | (45,778) |
| LIEP | Move existing billboard fees to proper activity | | 45,778 |
| LIEP | Increase contribution to fund balance to offset billboard revenues | | (67,368) |
| LIEP | Increase existing billboard fees and new ones | | 67,368 |
| Mayor | ServeMinnesota grant | 135,500 | 135,500 |
| Mayor | AmeriCorps Vista grant | 55,375 | 55,375 |
| Mayor | 3M donation for education | 10,000 | 10,000 |
| Mayor | St. Paul Travelers Foundation donation | 80,000 | 80,000 |
| NHPI | Reduce personnel costs in CDBG | (96,922) | |
| NHPI | Increase demo costs in CDBG | 96,922 | |
| Parks | Dutch Elm Refuse Hauling | 8,000 | 8,000 |
| Parks | Dutch Elm Tree Removal | 400,000 | 400,000 |

List of City Council's adjustments to special funds, debt, and capital improvement budget continues on the next page

Council Action Adopting the City Budget (page 6)

04-1174

2005 Budget - City Council's Budget Adjustments Special Funds, Debt and Capital Improvement Budgets

Office of Financial Services
Report date/time 12/17/04 3:13 PM
Page 4 of 4

| | | Spending Appropriations | Financing Estimates |
|---|---|----------------------------|------------------------|
| City Council Changes to the Mayor's Proposed Budget... | | | |
| Police | Ramsey County Intergovernmental Mobility Transfer | 76,330 | 76,330 |
| Police | 2005 services and reimbursement Ramsey County Sheriff | | |
| Police | New Grant Funds in 2005 | | |
| Police | Minnesota Financial Crimes Task Force | 28,021 | 28,021 |
| Police | Estimated Grant Funds remaining from 2004 | | |
| Police | Law Enforcement Terrorism Prevention Grant | 100,000 | 100,000 |
| Police | Urban Areas Strategic Initiative Grant | 150,000 | 150,000 |
| Police | COPS Technology Grant | 98,948 | 98,948 |
| Police | Disproportionate Minority Contact Grant | 299,833 | 299,833 |
| Police | Econ Crime Prevention Grant | 10,700 | 10,700 |
| Police | Homeland Security Equipment Grant | 338,962 | 338,962 |
| Police | NIBRS Grant (change) | 25,492 | 25,492 |
| Police | Value-Based Initiative Grant (change) | 35,770 | 35,770 |
| Police | Vietnamese Youth Education Grant (change) | 7,200 | 7,200 |
| Police | Youth Achievers Program Grant (change) | 18,500 | 18,500 |
| Police | Youth Health & Academic Enrichment Grant (change) | 21,000 | 21,000 |
| Police | Local Law Enforcement Block Grant IX | (258,655) | (258,655) |
| Police | change to reflect actual grant | | |
| Public Works | Correct transfer form NHPI FTEs | 152,350 | |
| Public Works | Correct transfer form NHPI FTEs | (125,000) | |
| Public Works | Correct transfer form NHPI FTEs | (27,350) | |
| Public Works | Right of Way | | |
| Public Works | Lighting Maintenance | (200,000) | |
| Public Works | CMMS Contingency | (48,825) | |
| Public Works | Salt Shed | 600,000 | |
| Public Works | Street Intersections Tree Trimming | 80,000 | |
| Public Works | Inflation Addition | 3,407 | |
| Public Works | Assessment Financing | | (281,129) |
| Public Works | Transfer In from General Fund related to graffiti | | (34,954) |
| Public Works | Fund Balance Financing | | 750,665 |
| Budget After City Council Changes | | 346,274,604 | 346,274,604 |
| Gap, Excess / (Shortfall) | | 0 | |

Glossary

Activity. An activity is a subunit of a fund. Each fund contains one or more activities, a specific and distinguishable budgetary unit of work or service. Activities are detailed levels of budget spending authority created to accomplish the approved objectives of the fund.

Activity Manager. Each activity manager shares in the authorities and responsibilities of the fund manager outlined below. In addition, each activity manager's responsibilities include attaining the performance objectives assigned to their activity, approving spending payments and directing the day-to-day operations of their activity.

Activity Number. A five (5)-digit number which uniquely identifies the activity. The first digit indicates the fund type while the second digit indicates the department.

Fund type:

- 0 General Fund
- 1 Internal Service Funds
- 2 Enterprise Funds
- 3 Special Revenue Funds
- 4 Special Assessment Funds
- 5 Trust and Agency Funds
- 6 Permanent Improvement Revolving Funds
- 7,9 Bond Funds (includes Capital Improvement Bond Funds)
- 8 Debt Service Funds

Department:

- 0 Administrative Units (includes: Affirmative Action, City Attorney, Citizen Service, City Council, Financial Services, Human Resources, Human Rights, Labor Relations, Licence Inspections and Environmental Protection and Mayor)
- 1 Technology and Management Services
- 2 Public Works
- 4 Police
- 5 Fire
- 6 Planning and Economic Development
- 9 General Government Accounts
- 11 Libraries (new structure)
- 31 Parks
- 32 Public Health
- 33 License Inspections and Environmental Protection
- 34 Libraries (old structure)
- 99 Debt Service

For example, Risk Watch (35115) is a special revenue fund activity in the Department of Fire and Safety Services. Similarly, accounting bureau (02020) is a general fund activity in the Public Works Department. See *Fund Number*.

Allocation. A portion of a lump-sum appropriation which is designated for expenditure by specific organizational units or for special purposes. See *Appropriation*.

Appropriation. An expenditure authorized by the city council for a specified amount, and time.

Assessed Valuation. The value that is established for real estate or other property by a government for use as a basis for levying property taxes.

Bond. A written promise to pay a specific sum of money (called the principal amount or face value) at a specified future date (called the maturity date) along with periodic interest at a specified rate.

Budget Document. The written record of the comprehensive financial plan the mayor presents to the city council for review, revision if deemed appropriate, and adoption.

Capital Allocation. Assignment of available capital (dollars) to specific uses.

Capital Expenditure. Actual spending of capital (dollars) for capital improvement projects.

Capital Improvement. The purchase or construction of durable/fixed assets. Examples include streets, bridges, parks or buildings.

Capital Improvement Budget (C.I.B.). A plan for capital expenditures (physical development of the City) to be incurred each year, over a fixed number of years, in order to meet capital needs arising from the long-term work program.

Capital Outlay. Equipment, machinery, vehicles, or furniture items included in the operating budget. See *Capital Improvement Budget*.

Capital Projects Fund. A fund established to account for all financial resources used for the construction or acquisition of major capital facilities, except those financed by special assessment, proprietary, or fiduciary funds.

CIB. Acronym for capital improvement budget.

CMMS. Acronym for Computerized Maintenance Managment System.

Debt Service Fund. A fund established to account for the financial resources used for the payment of long-term general obligation debt principal, interest, and related costs.

Division. An organizational subunit of a department in the general fund. Each department has one or more divisions, which are responsible for one or more activities.
Encumbrances. Legal commitment of appropriated funds (in the form of purchase orders or contracts) to purchase goods or services to be delivered or performed at a future date. They cease to be encumbrances when paid or when the actual liability is created.

Enterprise Fund. A fund established to account for city operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs

Glossary—Continued

(expenses, including depreciation) of providing goods and services on a continuing basis be financed or recovered primarily through user charges.

Expenditures. Total charges incurred, whether paid or unpaid, including the provision for retirement of debt not reported as a liability of the fund from which it will be retired, and capital outlays (for governmental funds and fiduciary funds, except non-expendable trust funds).

Expenses. Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which benefit the current fiscal period (for proprietary funds and non-expendable trust funds). See *Expenditures*.

FMS, or FM-80. Reference to the City of Saint Paul's financial management computer system.

F.O.R.C.E. Acronym for focusing our resources on community empowerment. This is a unit within the Police Department dedicated to combat problems, at the neighborhood level, of street level narcotics, problem properties and disruptive behavior.

Fiduciary Fund. A fund established to account for resources held for the benefit of parties outside the government.

Financing Plan. Identifies sources of revenues that support the spending plan.

Full Time Equivalent (FTE). A personnel position which is financed for the equivalent of 80 hours per pay period, for 26.1 pay periods (a typical year), or 2,088 hours in a year. This is roughly equivalent to 40 hours per week for 52 weeks. For example, a .5 FTE would represent 20 hours per week for 52 weeks, or 40 hours per week for 26 weeks. A 1.0 FTE is a general reference to a position normally working for a year.

Fund. Each individual fund is a separate accounting entity having its own assets, liabilities, revenues and expenditures or expenses. City financial resources are allocated to, and accounted for, in individual funds based on legal, donor, or administrative restrictions or requirements. The individual funds are organized by fund type. See *Fund Type*.

Fund Balance. An equity account reflecting the excess of accumulated assets over accumulated liabilities and reserves (monies set aside for specific purposes).

Fund Manager. Fund managers are accountable to and receive authority from their department director and division manager, and ultimately from the mayor, the city council, and city residents/taxpayers. Each fund manager is responsible for correctly preparing and submitting the portion of the city's financial plan that is provided by their fund. This includes a properly completed budget request consisting of performance, spending and financing plans. Fund managers are responsible for monitoring the collection of receipts, authorizing spending payments, cash flow planning, and service delivery in accordance with the adopted plan. Fund managers are also responsible for

forecasting significant performance, spending or financing variances, determining their cause, creating a solution, and reporting such information to their department director and the director of the office of financial services. See *Performance Plan*, *Spending Plan*, and *Financing Plan*.

Fund Number. A three-digit number which uniquely identifies the fund. For example, the general fund is fund number 001, parks and recreation grant fund is 860 and the fire clothing trust fund is 736. There is no significance to the sequence of numbers. See *Activity Number*.

Fund Type. A classification of funds by similar purpose. The fund types are: governmental (general, special revenue, debt service, capital project, special assessment), proprietary (enterprise, internal service), and fiduciary (trust and agency funds). Although the city hall annex operating fund and the public works engineering fund are separate funds, they are the same fund type (internal service). See each fund type for its definition. Also see *Fund*.

GIS. Acronym for geographic based information systems.

General Fund. The fund used to account for all financial resources not specifically earmarked for other purposes. The general fund is the primary operating fund for the City of Saint Paul.

Governmental Funds. All funds other than fiduciary and proprietary funds. Includes the general fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds. The measurement focus is on spending or financial flow rather than on net income. See *Fiduciary Funds* and *Proprietary Funds*.

HACA. Acronym for homestead and agricultural credit aid. See *State Aids*.

HRPRBA, or HRMS. Acronym for human resources, payroll, benefits administration. This acronym once referred to the development of the city's automated system for human resources, payroll, benefits administration.

Internal Service Fund. A fund established to account for the financing of goods or services provided by one city department to other city departments, divisions or funds on a cost-reimbursement basis.

LGA. Acronym for local government aid. See *State Aids*.

LLEBG. Acronym for local law enforcement grant, which is a federal grant program.

MSA. Acronym for municipal state aids. See *State Aids*.

Object Code. A four-digit code assigned to a specific type of receipt or expenditure. A major object code is a grouping of expenditures or receipts on the basis of the types of goods or services purchased or rendered. For example, personal services, materials,

Glossary—Continued

supplies, and equipment are major object codes.

Operating Budget. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Transfer In/Out. Inter-fund transfers are legally authorized transfers between a fund receiving revenue and a fund where resources are expended.

PED. Acronym for planning and economic development department.

Performance Plan. A fund manager's estimate of the service level desired by the mayor, city council, and residents of the city. Includes mission statement, objectives and performance indicators.

Permanent Fund. A fund established to account for the custody and administration of assets held in a trust capacity. The assets held in a trust fund must be spent or invested in accordance with the conditions of the trust. Expendable trust funds are similar to governmental funds in that the measurement focus is on spending or financial flow rather than on net income. Non-expendable trust funds are similar to proprietary funds, with the measurement focus on determination of net income. See *Agency Fund* and *Fiduciary Fund*.

P.I.R. Acronym for public improvement revolving (fund).

Proprietary Funds. Any fund which attempts to determine net income. Measurement focus is on cost of services similar to private sector for-profit organizations. This category includes enterprise and internal service funds.

Recoverable Expenditure. An expenditure made for, or on behalf of, another governmental unit, fund, or department, private individual, firm, or corporation which will, subsequently, be recovered in cash or its equivalent.

Retained Earnings. An equity account reflecting the accumulated earnings of an enterprise or internal service fund which are not reserved for any specific purpose.

Special Assessment. Charges which the local government collects from property owners to pay for specific services or capital improvement projects such as streets, sewers, etc., which benefit a particular piece of real estate.

Special Revenue Fund. A fund established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, and capital projects) that are legally restricted to expenditures for specified functions or activities.

Spending Plan. Provides a unit or subunit of an organization with spending authority to pay for the resources required to effectively accomplish the performance plan.

STAR. Acronym for sales tax revitalization program. This is also referred to sometimes as cultural sales tax revenue.

State Aids. The following are the major types of intergovernmental revenues received by the City of St. Paul from the State of Minnesota:

Local Government Aid (LGA): Begun in 1971, this program was designed to provide indirect property tax relief through the redistribution of income tax and sales tax revenues collected at the state level to local units of government. The amount of funding received by local units of government is based on a distribution formula determined by the Minnesota State Legislature. The distribution formula addresses "need" as well as "equity". Based on this distribution formula, current state LGA appropriations are not sufficient to fully fund the program. Consequently, adjustments in the amount distributed to cities and counties are made based on percent changes to past years' amounts. The 2001 State Legislature rolled the Homestead and Agricultural Credit Aid into Local Government Aid.

Market Value Credit. In 2003, each city receives an aid reduction equal to 9.3% of the city's levy plus aid revenue base. The levy plus aid revenue base is equal to the sum of the city's property tax levy for taxes payable in 2003, plus the sum of the amounts the city was certified to receive in 2003 as local government aid, existing low-income aid, new construction low-income housing aid; and taconite aid. The aid reduction is limited to 5.25% of the city total revenues for 2003. The aid reduction is applied first to the city's LGA, and then if necessary to the market value credit.

Municipal State Aids (MSA). This program is financed by motor vehicle related taxes collected at the state level. The state gasoline tax is the largest revenue source and the dollars collected are constitutionally dedicated for expenses related to MSA routes. The revenues are redistributed back to municipalities of 5,000 or more residents to be used for construction and maintenance of their MSA designated routes.

Tax Increment District. A tax increment district is a designated geographical area where a city is undertaking redevelopment or development activity. Any increase in assessed valuation due to new development activity is captured by the district. Property taxes levied against those captured values are used to finance the public improvement costs incurred to induce the private development activity. Public improvement costs can be financed by issuing bonds or by a pay-as-you-go plan.

City of Saint Paul Budget Documents: General Description

The Mayor must propose to the City Council, by August 15 of each year, a complete financial plan for the next calendar year. After considering the Mayor's recommendations, the City Council must adopt the annual budget by December 20. The annual financial plan for the City of Saint Paul is composed of spending, financing and performance plans for three types of budgets: operating, debt service and capital improvements.

Operating Budget: The annual operating budget is a twelve-month financial plan that provides for the delivery of city services; support and planning for service delivery; routine maintenance; minor remodeling and repairs of existing structures; acquisition of vehicles, mobile, mechanical and office equipment; and other items having an estimated useful life of less than three years. The primary financing sources for the operating budget are property taxes, state aids, dedicated revenues, user charges, and grants.

The operating budget accounts for financial resources through various funds. The general fund, which is the largest of the city's operating funds, supports basic city services such as public safety and recreation. Other operating funds, commonly referred to as special funds, include internal service funds, enterprise funds, special assessment funds, special revenue funds and trust and agency funds, and support services that generally are financed by non-property tax revenues. For the majority of city funds, the modified accrual basis of accounting is used to budget and account for financial resources. Under this method, expenditures generally are recognized when incurred and revenues are recognized when they become both measurable and available. Internal service and enterprise funds use the accrual basis of accounting, however, where expenses are recognized when incurred and revenues are recognized when earned.

Debt Service Budget: The annual debt service budget provides for the payment of interest and principal on short and long term general obligation debt. It also includes reserves for a part of the following year's debt service. Primary financing sources for debt service budgets are property taxes, transfers from other funds, interest earnings, and dedicated revenues such as tax increments, special assessments to benefitted properties, and utility user fees. Debt service for revenue bonds is usually budgeted in a special fund budget.

Capital Improvement Budget: The annual capital improvement budget includes appropriations for all projects having an estimated useful life in excess of three

years (other than the acquisition of office or mechanical equipment, or minor remodeling or repairs of existing structures). Projects are financed with general obligation or revenue bonds, aids, grants, and special revenues received by the city for capital improvements, and all monies appropriated in the general fund and special fund budgets for capital projects. The capital improvement budget does not finance vehicles or mobile equipment.

Although the capital improvement budget is adopted annually, project selection and prioritization occurs on a biennial basis. A special citizen committee reviews project proposals submitted by civic organizations, neighborhood groups and city departments, and then develops project recommendations that serve at the basis for the mayor's proposed capital budget. When the biennial budget is adopted by the City, the first year becomes law, while the second year serves as a guide for the following year's appropriations. The capital improvement budget is also part of a ten-year program developed by the city's planning commission to plan for the physical development or redevelopment of city-owned land, buildings, and other improvements, as well as to induce the private development of housing and business facilities. Budget appropriations are multi-year in nature and remain until a project is either completed or canceled.

Starting with the 2004 budget, the library budget will no longer be included in this publication. This is a result of a resolution passed in 2003, to establish a separate library board. Therefore, beginning with 2004, the library budget will be published as a separate document.

Budget Structure

Budgets are requested and approved at the activity level. Activities are aggregated into divisions in the general and special operating funds. Funds and divisions are then aggregated into departments or offices. Departments manage operating (general fund and special funds) budgets, debt service budgets, and capital improvement budgets. Overall management of the general operating fund is the responsibility of the director of the office of financial services.